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Message Text

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ACTION EB-07

INFO OCT-01 EUR-12 NEA-10 IO-13 ISO-00 INT-05 AID-05
CIAE-00 FRB-03 INR-07 NSAE-00 USIA-06 TRSE-00
XMB-02 OPIC-03 SP-02 LAB-04 EPG-02 SIL-01 OMB-01
FPC-01 FEAE-00 /085 W
----------251852Z 038512 /46
R 251159Z MAY 77
FM AMEMBASSY NEW DELHI
TO SECSTATE WASHDC 3627
INFO USDOC WASHDC
USMISSION USUN NEW YORK
AMEMBASSY VIENNA
AMCONSUL BOMBAY
AMCONSUL CALCUTTA
AMCONSUL MADRAS

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DEPT PLEASE PASS TO USBURMINES

E.O. 11652: N/A
TAGS: EIND, EQUIP, EINV, UNIDO, IN
SUBJECT: INDIAN SPONGE IRON PROJECT

REF: NEW DELHI 6916

1. S.N. ACHARYA, JOINT SECRETARY, MINISTRY OF STEEL AND MINES, CONFIRMS THE ESTABLISHMENT OF A SPECIAL COMMITTEE TO REVIEW THE SPONGE IRON PROJECT AS REPORTED IN REFTEL. WHILE HE WOULD NOT PROVIDE THE NAMES OF ALL COMMITTEE MEMBERS, THE MEMBERSHIP IS BELIEVED TO BE CORRECT AS REPORTED REFTEL. THE COMMITTEE IS TO PREPARE A REPORT BY JUNE 30, 1977 FOR A CABINET COMMITTEE COMPOSED OF THE STEEL MINISTER, BIJU PATNAIK; FINANCE MINISTER, H.M. PATEL; DEFENSE MINISTER, JAGJIVAN RAM; AND THE DEPUTY CHAIRMAN PLANNING COMMISSION.
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2. ACCORDING TO ACHARYA, THE SPECIAL COMMITTEE IS TO REVIEW ALL ASPECTS OF THE PROPOSALS SUBMITTED BY LURGI AND AC, BUT IT WAS APPARENT TO EMBOFF THAT THE KEY ELEMENT IN SELECTING THE COMPANY IS NOW THE FINANCING OF THE NON UNDP PORTION OF THE PROJECT, INCLUDING EQUITY PARTICIPATION.

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3. ACHARYA SAYS THE GOI HAS RESERVATIONS ABOUT THE COMMERCIAL VIABILITY OF THE SPONGE IRON PROCESS BECAUSE OF THE EXPERIMENTATION STILL GOING ON IN THIS FIELD. THEREFORE, THE COMPANY WILLING TO PARTICIPATE EQUITY WISE WOULD PROVIDE THE GOVERNMENT WITH SOME REASONABLE ASSURANCE OF SAFE GUARDS THAT THE PROCESS ACCEPTED WAS WORKABLE.

4. HE SAID THAT LETTERS HAD BEEN SENT TO BOTH COMPANIES REGARDING THIS SUBJECT AND HE WAS HOPING FOR AN EARLY REPLY. THROUGH UNIDO THE COMPANIES HAD ALSO BEEN ASKED TO EXTEND THEIR BID OFFERS FOR ANOTHER 90 DAYS.

5. WHEN ASKED ABOUT THE GOI'S WILLINGNESS TO FINANCE A PART OF THIS PROJECT, ACHARYA REPLIED THAT THIS WOULD DEPEND ON THE OFFERS RECEIVED, BUT DID NOT DISCOUNT THE POSSIBILITY OF THE ENTIRE PROJECT BEING SHELVED IF THE FINANCIAL TERMS WERE NOT SUITABLE TO THE GOI.

6. REGARDING THE PROSPECTS FOR OTHER SPONGE IRON PLANTS IN INDIA, ACHARYA STATED THESE WOULD NOT NECESSARILY DEPEND ON THE OUTCOME OF THIS PROJECT IF SUCH PLANTS WERE TO ADOPT THE MIDREX OR OTHER PROCESSES USING NATURAL GAS OR FUELS OTHER THAN COAL.

7. DEPARTMENT MAY WISH TO PASS THE ABOVE TO ALLIS CHALMERS.
GOHEEN

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Message Attributes

Automatic Decaptioning: X
Capture Date: 01-Jan-1994 12:00:00 am
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: IRON, PROGRAMS (PROJECTS)
Control Number: n/a
Copy: SINGLE
Sent Date: 25-May-1977 12:00:00 am
Decaption Date: 01-Jan-1960 12:00:00 am
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 22 May 2009
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1977NEWDE07510
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Expiration:
Film Number: D770187-0235
Format: TEL
From: NEW DELHI
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1977/newtext/t19770519/aaaaaqnd.tel
Line Count: 88
Litigation Code IDs:
Litigation Codes:
Litigation History:
Locator: TEXT ON-LINE, ON MICROFILM
Message ID: 8957498a-c288-dd11-92da-001cc4696bcc
Office: ACTION EB
Original Classification: LIMITED OFFICIAL USE
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 2
Previous Channel Indicators: n/a
Previous Classification: LIMITED OFFICIAL USE
Previous Handling Restrictions: n/a
Reference: 77 NEW DELHI 6916
Retention: 0
Review Action: RELEASED, APPROVED
Review Content Flags:
Review Date: 26-Nov-2004 12:00:00 am
Review Event:
Review Exemptions: n/a
Review Media Identifier:
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
SAS ID: 2374374
Secure: OPEN
Status: NATIVE
Subject: INDIAN SPONGE IRON PROJECT
TAGS: EIND, EQIP, EINV, IN, UNIDO
To: STATE
Type: TE
vdkvgwkey: odbc://SAS/SAS.dbo.SAS_Docs/8957498a-c288-dd11-92da-001cc4696bcc
Review Markings:
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